

OFFICE OF INSPECTOR GENERAL

(Dollars in millions)

	1995 <u>Actual</u>	1996 <u>Policy*</u>	1997 <u>Request</u>	Request <u>+/- Policy</u>
Program Level	\$79	\$74	\$75	+\$1
Budget Authority	79	74	75	+1
Outlays	89	67	75	+7
FTE	927	927	927	0

* Based on levels of the ninth CR.

Summary

For FY 1997, the Office of Inspector General (OIG) requests \$75 million, an increase of \$1 million above the FY 1996 level. OIG is charged with conducting and supervising audits and investigations relating to programs and operations of HHS; providing leadership and coordination for, and recommending policies and corrective actions concerning, activities designed to promote economy and efficiency in the administration of the Department's programs; and preventing and detecting fraud and abuse in HHS' programs and operations.

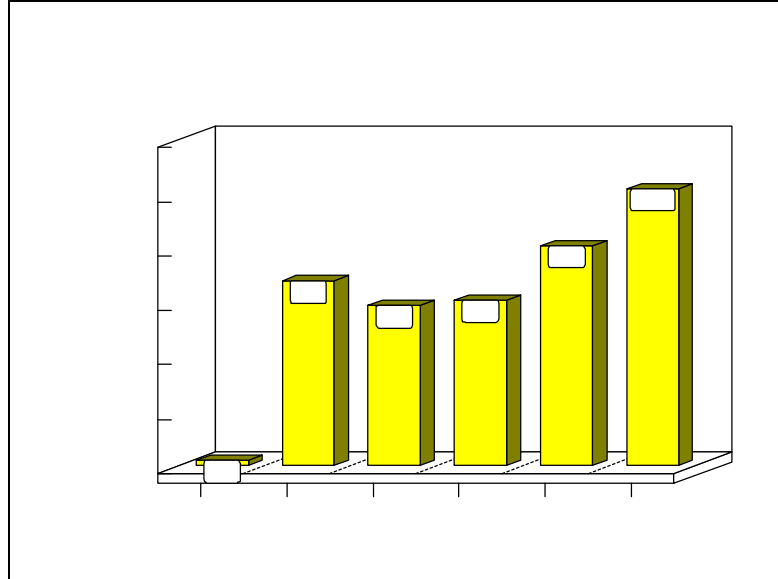
In FY 1997, OIG will focus its resources in the following areas: reviewing departmental efforts to improve children's welfare and child support enforcement collection initiatives; evaluating providers and services in the Medicare and Medicaid programs; ensuring the effectiveness of the public health delivery programs; and auditing management control systems and financial operations. All of these reviews will assist HHS program managers to improve the health and welfare of program beneficiaries.

OIG resources will also be devoted to the final phase of Operation Restore Trust. Under this project, OIG, HCFA and AoA will continue their interdisciplinary teams of Federal, State, and private sector representatives targeting health care fraud and abuse in California, Florida, New York, Texas and Illinois--these five States account for more than a third of all Medicare beneficiaries and nearly 40 percent of Medicaid recipients. The project team is focusing on the three fastest growing areas of Medicare expenditures: nursing facilities, home health, and durable medical equipment.

The Medicare Anti-fraud and Abuse Program (MAAP) is a proposed new initiative to restore trust and accountability to Medicare. This program would build on the proven effective aspects of Operation Restore Trust, enhance general Medicare fraud protection activities, allow OIG to pursue innovative anti-fraud initiatives, enhance data systems to assess trends

and identify possible fraud and abuse, and expand OIG resources by retraining and adding staff to those parts of the country where fraud schemes are unfolding. Should this legislation be enacted, an additional \$54 million will be added to supplement OIG's current effort.

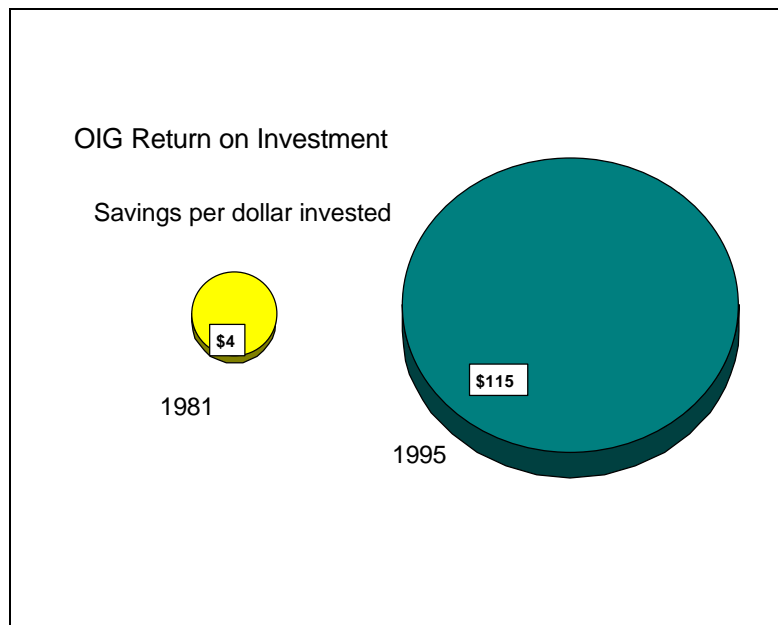
In FY 1995, OIG asserts that its activities resulted in over \$10.2 billion in settlements, fines, restitutions, receivables and savings to the Federal Government. The OIG asserts that the return on investment increased from \$160,000 per OIG FTE in 1981 to \$9.7 million in 1995, and from \$4 in savings for every OIG budget dollar spent in 1981 to \$115 in savings for every OIG budget dollar spent in 1995. During the same time period, successful judicial prosecutions rose from 165 in FY 1981 to 620 in FY 1995.



Administrative sanctions against individuals or entities that defrauded or abused HHS programs and/or beneficiaries also rose from 39 in FY 1981 to 1,563 in FY 1995.

OIG is continuing to streamline its operations and management structure to minimize costs and ensure that the greatest portion of its resources are concentrated on investigations, audits, and inspections.

OIG is also reinventing its processes and exploring creative ways to effectively deploy its resources to aggressively combat fraud, abuse, and waste in the Department's programs, including:



- Establishing partnerships with State auditors under which OIG provides States with audit methodologies for their use in conducting audits of HHS health care programs. In addition to recovering taxpayer dollars, these partnerships will also result in program improvements and a reduction in the cost of providing needed services to Medicaid and other recipients.
- Conducting joint investigations with other Federal law enforcement agencies, including the Secret Service, the Federal Bureau of Investigation (FBI), the Internal Revenue Service, the Postal Inspection Service, State governments, other Inspector General offices, and the HHS OPDIVs.
- As part of Operation Restore Trust, a "voluntary disclosure" program is being piloted that encourages corporate health care providers to disclose potential instances of fraud and abuse that the providers themselves have discovered within their corporations.

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